



FEDERAL TRADE COMMISSION

Agency Information Collection Activities; Proposed Collection; Comment Request; Extension

AGENCY: Federal Trade Commission.

ACTION: Notice.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995 (PRA), the Federal Trade Commission (FTC or Commission) is seeking public comment on its proposal to extend for an additional three years the Office of Management and Budget (OMB) clearance for information collection requirements contained in the rules and regulations under the Fur Products Labeling Act (Fur Rules or Rules). That clearance expires on August 31, 2021.

DATES: Comments must be received on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES: Interested parties may file a comment online or on paper by following the instructions in the Request for Comments part of the SUPPLEMENTARY INFORMATION section below. Write “Fur Rules; PRA Comment: FTC File No. P072108” on your comment, and file your comment online at <https://www.regulations.gov> by following the instructions on the web-based form. If you prefer to file your comment on paper, mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue, NW, Suite CC-5610 (Annex J), Washington, DC 20580, or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary, Constitution Center, 400 7th Street, SW, 5th Floor, Suite 5610 (Annex J), Washington, DC 20024.

FOR FURTHER INFORMATION CONTACT: Jock K. Chung, Attorney, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Mail Code CC-9528, 600 Pennsylvania Ave., NW, Washington, DC 20580, (202) 326-2984.

SUPPLEMENTARY INFORMATION:

Title: Rules and regulations under the Fur Products Labeling Act, 16 CFR Part 301.

OMB Control Number: 3084-0099.

Type of Review: Extension of a currently approved collection.

Likely Respondents: Retailers, manufacturers, processors, and importers of furs and fur products.

Frequency of Response: Third party disclosure; recordkeeping requirement.

Estimated Annual Hours Burden: 303,001 hours (50,100 hours for recordkeeping + 252,901 hours for disclosure).

Recordkeeping: 50,100 hours [950 retailers incur an average recordkeeping burden of about 18 hours per year (17,100 hours total); 75 manufacturers incur an average recordkeeping burden of about 60 hours per year (4,500 hours total); and 950 importers of furs and fur products incur an average recordkeeping burden of 30 hours per year (28,500 hours total)]

Disclosure: 252,901 hours [(214,834 hours for labeling + 67 hours for invoices + 38,000 hours for advertising).]

Estimated annual cost burden: \$5,194,259 (solely relating to labor costs).

Abstract: The Fur Products Labeling Act (Fur Act)¹ prohibits the misbranding and false advertising of fur products. The Fur Rules establish disclosure requirements that assist consumers in making informed purchasing decisions, and recordkeeping requirements that assist the Commission in enforcing the Rules. The Rules also provide a procedure for exemption from certain disclosure provisions under the Fur Act.

As required by section 3506(c)(2)(A) of the PRA, 44 U.S.C. 3506(c)(2)(A), the FTC is providing this opportunity for public comment before requesting that OMB extend the existing clearance for the information collection requirements contained in the Commission's Fur Rules.

Burden Statement:

Staff's burden estimates are based on data from the Department of Labor's Bureau of Labor Statistics (BLS) and data or other input from the Fur Industry Council of America. The

¹ 15 U.S.C. 69 *et seq.*

relevant information collection requirements in these rules and staff's corresponding burden estimates follow. The estimates address the number of hours needed and the labor costs incurred to comply with the requirements.

The Fur Products Labeling Act (Fur Act)² prohibits the misbranding and false advertising of fur products. The Fur Rules establish disclosure requirements that assist consumers in making informed purchasing decisions, and recordkeeping requirements that assist the Commission in enforcing the Rules. The Rules also provide a procedure for exemption from certain disclosure provisions under the Fur Act.

Estimated annual hours burden: 303,001 hours (50,100 hours for recordkeeping + 252,901 hours for disclosure).

Recordkeeping: The Fur Rules require that retailers, manufacturers, processors, and importers of furs and fur products keep certain records in addition to those they may keep in the ordinary course of business. Staff estimates that 950 retailers incur an average recordkeeping burden of about 18 hours per year (17,100 hours total); 75 manufacturers incur an average recordkeeping burden of about 60 hours per year (4,500 hours total); and 950 importers of furs and fur products incur an average recordkeeping burden of 30 hours per year (28,500 hours total). The combined recordkeeping burden for the industry is approximately 50,100 hours annually.

Disclosure: Staff estimates that 1,025 respondents (75 manufacturers + 950 retail sellers of fur garments) each require an average of 30 hours per year to determine label content (30,750 hours total), and an average of 30 hours per year to draft and order labels (30,750 hours total). Staff estimates that the total number of garments subject to the fur labeling requirements annually is approximately 3,680,000.³ Staff estimates that for approximately 50 percent of these garments (1,840,000) labels are attached manually, requiring approximately four minutes per

² 15 U.S.C. 69 *et seq.*

³ The total number of imported fur garments, fur-trimmed garments, and fur accessories is estimated to be approximately 3,500,000 based on industry data. Estimated domestic production totals 180,000.

garment for a total of 122,667 hours annually. For the remaining 1,840,000, the process of attaching labels is semi-automated and requires an average of approximately one minute per item, for a total of 30,667 hours. Thus, the total burden for attaching labels is 153,334 hours, and the total burden for labeling garments is 61,500 hours per year (30,750 hours to determine label content + 30,750 hours to draft and order labels).

Staff estimates that the incremental burden associated with the Fur Rules' invoice disclosure requirement, beyond the time that would be devoted to preparing invoices in the absence of the Rules, is approximately one minute per invoice for pelts.⁴ The invoice disclosure requirement applies to fur pelts, which are generally sold in groups of at least 1100, on average. Based on information from the Fur Industry Council of America, staff estimates total sales of 4,450,000 pelts annually. Thus, the invoice disclosure requirement entails an estimated total burden of 67 hours (4,046 total invoices x one minute).

Staff estimates that the Fur Rules' advertising disclosure requirements impose an average burden of 40 hours per year for each of the approximately 950 domestic fur retailers, or a total of 38,000 hours.

Thus, staff estimates the total disclosure burden to be approximately 252,901 hours.

Estimated annual cost burden: \$5,194,259 (solely relating to labor costs). The chart below summarizes the total estimated costs.

Task	Hourly Rate	Burden Hours	Labor Cost
Determine label content	\$ 30.00	30,750	\$922,500
Draft and order labels	\$ 19.00	30,750	\$584,250
Attach labels	\$ 13.00 ⁵	122,667	\$1,594,671

⁴ The invoice disclosure burden for PRA purposes excludes the time that respondents would spend for invoicing, apart from the Fur Rules, in the ordinary course of business. See 5 CFR 1320.3(b)(2).

Invoice disclosures	\$ 14.00	67	938
Prepare advertising disclosures	\$ 30.00	38,000	1,140,000
Recordkeeping	\$ 18.00	50,100	951,900
TOTAL			\$5,194,259

Staff believes that there are no current start-up costs or other capital costs associated with the Fur Rules. Because the labeling of fur products has been an integral part of the manufacturing process for decades, manufacturers have in place the capital equipment necessary to comply with the Rules' labeling requirements. Industry sources indicate that much of the information required by the Fur Act and Rules would be included on the product label even absent the Rules. Similarly, invoicing, recordkeeping, and advertising disclosures are tasks performed in the ordinary course of business so that covered firms would incur no additional capital or other non-labor costs as a result of the Act or the Rules.

Request for Comments

Pursuant to Section 3506(c)(2)(A) of the PRA, the FTC invites comments on: (1) whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility; (2) the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodology and assumptions used; (3) ways to enhance the quality,

⁵ Per industry sources, most fur labeling is done in the United States. This rate is reflective of an average domestic hourly wage for such tasks performed in the United States, which is derived from recent BLS statistics.

utility, and clarity of the information to be collected; and (4) ways to minimize the burden of maintaining records and providing disclosures to consumers. All comments must be received on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

You can file a comment online or on paper. For the FTC to consider your comment, we must receive it on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. Write “Fur Rules; PRA Comment: FTC File No. P072108” on your comment. Your comment—including your name and your state—will be placed on the public record of this proceeding, including the <https://www.regulations.gov> website.

Due to the public health emergency in response to the COVID-19 outbreak and the agency’s heightened security screening, postal mail addressed to the Commission will be subject to delay. We encourage you to submit your comments online through the <https://www.regulations.gov> website.

If you prefer to file your comment on paper, write “Fur Rules; PRA Comment: FTC File No. P072108” on your comment and on the envelope, and mail your comment to the following address: Federal Trade Commission, Office of the Secretary, 600 Pennsylvania Avenue, NW, Suite CC–5610 (Annex J), Washington, DC 20580; or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary, Constitution Center, 400 7th Street SW, 5th Floor, Suite 5610 (Annex J), Washington, DC 20024. If possible, submit your paper comment to the Commission by courier or overnight service.

Because your comment will become publicly available at <https://www.regulations.gov>, you are solely responsible for making sure that your comment does not include any sensitive or confidential information. In particular, your comment should not include any sensitive personal information, such as your or anyone else’s Social Security number; date of birth; driver’s license number or other state identification number, or foreign country equivalent; passport number; financial account number; or credit or debit card number. You are also solely responsible for

making sure that your comment does not include any sensitive health information, such as medical records or other individually identifiable health information. In addition, your comment should not include any “trade secret or any commercial or financial information which . . . is privileged or confidential” —as provided by Section 6(f) of the FTC Act, 15 U.S.C. 46(f), and FTC Rule 4.10(a)(2), 16 CFR 4.10(a)(2) —including in particular competitively sensitive information such as costs, sales statistics, inventories, formulas, patterns, devices, manufacturing processes, or customer names.

Comments containing material for which confidential treatment is requested must be filed in paper form, must be clearly labeled “Confidential,” and must comply with FTC Rule 4.9(c). In particular, the written request for confidential treatment that accompanies the comment must include the factual and legal basis for the request, and must identify the specific portions of the comment to be withheld from the public record. *See* FTC Rule 4.9(c). Your comment will be kept confidential only if the General Counsel grants your request in accordance with the law and the public interest. Once your comment has been posted publicly at www.regulations.gov, we cannot redact or remove your comment unless you submit a confidentiality request that meets the requirements for such treatment under FTC Rule 4.9(c), and the General Counsel grants that request.

The FTC Act and other laws that the Commission administers permit the collection of public comments to consider and use in this proceeding, as appropriate. The Commission will consider all timely and responsive public comments that it receives on or before **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. For information on the Commission’s privacy policy, including routine uses permitted by the Privacy Act, see <https://www.ftc.gov/site-information/privacy-policy>.

Josephine Liu,

Assistant General Counsel for Legal Counsel.